REMARKS

I. INTRODUCTION

In response to the Office Action dated May 18, 2004, claims 1, 12, 27, and 42 have been amended. Claims 1-5, 8-20, 23-35, and 38-52 remain in the application. Entry of the amendment, and re-consideration of the application, as amended, is requested.

II. CLAIM AMENDMENTS

Applicants' attorney has made amendments to the claims as indicated above. These amendments were made solely for the purpose of clarifying the language of the claims, and were not required for patentability or to distinguish the claims over the prior art.

III. NON ART REJECTION

Claim 1 was rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Specifically, claim 1 was rejecting for stating "programming package the receiver" at line 10 and the Examiner recommended changing the text to read "programming package for the receiver" for clarity. Applicants have amended claim 1 in accordance with the Examiner's suggestion and submit that the rejection is now moot.

IV. PRIOR ART REJECTIONS

A. The Office Action Rejections

In paragraph (6) of the Office Action, claims 1-5, 8-20, 23-35, and 38-52 were rejected under 35 U.S.C. §102(e) as being anticipated by Nel, U.S. Patent No. 6,363,364 (Nel). In paragraphs (7)-(9) of the Office Action, claims 46, 47, and 48 were rejected under 35 U.S.C. §103(a) as being unpatentable over Nel as applied to claims 1, 16 and 30, and further in view of Metz et al., U.S. Patent No. 5,978,855 (Metz). In paragraph (10) of the Office Action, claim 51 was rejected under 35 U.S.C. §103(a) as being unpatentable over Nel as applied to claims 1, 16, and 30, and further in view of Koreeda et al., U.S. Patent No. 5,890,137 (Koreeda).

Specifically, the independent claims were rejected as follows:

> Claims 1, 16, 31: Nel teaches:
> activating, in a receiver connected to a presentation device, a purchase screen having at least one field (col. 2 line 66 — col. 4 line 23):
> receive broadcast signals through an input mechanism (col. 3 lines 3-11); and enable the presentation device to display the broadcast signals (col. 3 lines 3-
> the activation enabling the purchase screen to be displayed on the presentation device (col. 2 line 66 — col. 4 line 23);
> receiving purchase information in the at least one field into the receiver from a user (col. 4 lines 16-23):
> establishing a secure electronic connection, using a communication mechanism of the receiver that is different from the input mechanism, with a vendor (col. 3 lines 41-57);
> electronically transmitting the purchase information from the receiver through the secure electronic connection to the vendor (col. 3 lines 41-51; col. 4 lines 4-15);
> receiving a confirmation number from the vendor into the receiver (col. 3 lines 52-
> receiving, in the receiver, authorization for the initial activation of the subscription television service from the vendor (col. 3 line 3 — col. 4 line 55); and
> configuring the receiver to allow the display of the subscription television services (col. 3 line 3 --col. 4 line 55).
> wherein the purchase information identifies an initial television subscription service for an initial activation of the receiver and a television programming package for the receiver (col. 3 lines 41-51), as inferred by the teaching that The *system includes security mechanisms to ensure that only an authorized user can gain access to information relating to certain accounts. Such measures normally include account numbers and a personal identity number (PIN) transmitted from the instruments 20, 24 to the network 28 via network 22. Similarly, security measures are utilized to ensure that the requested data is only displayed on an authorized monitor 12. These measures may include an identification (ID) code number accompanying the data in the signal and which ID code enables only a designated decoder 14 to decode the encoded data in the signal. This* teaching infers that users must have registered/subscribed through some means in order to use the invention as per the teaching that the security mechanisms restrict access to only users who are authorized, which encompasses applicants' claim language of *an initial television subscription service for an initial activation.*

Applicants traverse the above rejections for one or more of the following reasons:

(1) Nel fails to teach, disclose or suggest the initial activation of a subscription television service;

(2) Nel fails to teach, disclose or suggest the automated initial activation of a subscription television service without interaction with vendor personnel;

(3) Nel fails to teach, disclose or suggest the use of a credit card or conducting a credit card transaction; and

(3) Nel fails to teach, disclose or suggest displaying a history of purchases.

The cited references do not teach nor suggest these various elements of Applicants' independent claims.

B. Independent Claims

As previously stated, the independent claims provide for the initialization of a subscription television service. As claimed, a receiver is used to display a purchase screen on a presentation device (e.g., a television) when the purchase screen is activated by a user. The receiver is also configured to receive and display broadcast signals on the presentation device. The user may then enter purchase information into the purchase screen. The amended claims provide that the purchase information identifies an initial television subscription service for an initial activation of the receiver and a television programming package for the receiver. The purchase information is then forwarded, through a secure connection, to a vendor. The vendor transmits a confirmation number and authorization for the initial activation back to the receiver. In response, the receiver allows/permits the display of the subscription television service. All of these interactions are conducted automatically without direct interaction with a phone operator or physical person of the vendor (see dependent claims 46-48).

The above limitations provide the unique ability to order goods/services through a purchase screen displayed on a television screen. The user merely enters the credit card information in the purchase screen and the good/service may be ordered. Further, the use of the credit card information provides substantial flexibility since most users have credit cards. Additionally, the user of a television subscription service (e.g., satellite television broadcasting service) may perform the initial activation of a service without communicating directly with the pay-TV service provider. Thus, the pay-TV personnel required to conduct such processing are not needed. Further, the pay-TV service provider does not need to "float" the money until the customer pays or cover expenses for non-payment of services by the customer.

Nel merely discloses and claims a system for and a method of performing interactive data exchange, for example as part of a financial transaction, between a user base and a remote network. The system includes a request data input device 20. A telephone network 22 is connected to the device for transmitting the request data to the network 28. At the user base there is also provided a receiver for receiving response signals from the network and which signals include encoded response data. A signal decoder 14 is provided at the user base to decode the response data. A display 12 displays the response data interactively with the request data. (See Abstract).

However, unlike the present claims, Nel fails to provide for receiving a confirmation number from the vendor into the receiver. In rejecting this claim element, the Office Action relies on col. 3, lines 52-57 of Nel. Col. 3, lines 52-57 provides:

> The user may similarly instruct fund transfers between accounts to which he may have access at the financial institution and payment of certain other accounts of third parties. Confirmation of the selected instruction, data requested and account balances are visually displayed in real time on the monitor 12, as hereinbefore described.

However, the claims specifically provide for a "confirmation number". The plain language of the term clearly means a number. Such a "number" is not even remotely suggested by Nel. Instead, Nel merely provides for displaying a confirmation of the selected instruction. Such a confirmation could merely be a message that provides "Fund Transfer Request Received". In fact, Applicants submit that such a text based message is more likely given that it is displayed on the screen for the user to view. In this regard, the mere display of a "number" (as claimed) on a screen without anything else would not provide much use to the user.

In addition to the lack of a legal foundation, Nel does not teach, describe, suggest, or allude to the use of a number whatsoever. Without even mentioning such a confirmation number, Nel cannot possibly teach, encompass, or render obvious the confirmation number that is specifically claimed. Further, under MPEP §2142 and 2143.03 "To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970)." In this regard, the term "number" that is claimed cannot merely be bypassed and said to be encompassed within another reference that does not teach or suggest the use of any such numbers whatsoever.

Nel also fails to teach receiving, in a receiver, authorization for the initial activation of the subscription television service from the vendor. As stated in the background of the present invention, in the prior art, to activate a television subscription service, the customer must call the pay-TV service provider where a series of questions are answered and the customer selects a subscription package. Nel falls within the scope of this prior art. Specifically, there is no capability or description in Nel to perform the initial activation of a pay-TV service or a receiver unit. The amended claims, in providing this capability, provide significant advantages including the ability for

automated activation without a direct communication between a customer and personnel from the pay-TV service.

While Nel does provide for a service such as a broadcast channel and item (e.g., movie or documentary program vendible from a broadcasting system) (see col. 6, lines 22-24), Nel fails to provide for the initial activation of a service. Nel completely fails to mention, describe, or suggest, implicitly or explicitly, the initial activation of a receiver or pay-TV service. In this regard, Nel may rely upon the already established relationship between a customer and a broadcaster to offer the additional broadcast channel item. The initial activation of receiver and a new service on the receiver is not even contemplated by Nel.

In response to these earlier arguments, the Office Action refers to col. 3, lines 41-51 which provides:

> The system includes security mechanisms to ensure that only an authorized user can gain access to information relating to certain accounts. Such measures normally include account numbers and a personal identity number (PIN) transmitted from the instruments 20, 24 to the network 28 via network 22. Similarly, security measures are utilized to ensure that the requested data is only displayed on an authorized monitor 12. These measures may include an identification (ID) code number accompanying the data in the signal and which ID code enables only a designated decoder 14 to decode the encoded data in the signal.

The Office Action then provides that this teaching infers that users have registered/subscribed through some means in order to use the invention as per the teaching that the security mechanisms restrict access to only users who are authorized, which encompasses applicants' claim language of an *initial television subscription service for an initial activation.* (Emphasis added)

Applicants agree with the Examiner in that the teaching infers the users have registered/subscribed through some means. The present claims provide the specific method for the user to register/subscribe – i.e., purchase information is received from the user in the receiver, transmitted to the vendor, and authorization for the subscription is received back. What is clearly lacking from Nel (as admitted by the Office Action providing that users must have registered/subscribed through some means) is a description of such a subscription/registration process. As stated above, the initial activation in the prior art required a user to physically call a vendor or pay-tv provider. Nel merely falls within this prior art activation. The Office Action admits that Nel fails to describe this specifically claimed limitation when it states that Nel's teaching infers users must have subscribed. Again, Nel is directed towards an environment where users are already subscribed.

Col. 3, lines 41-51 (cited by the Examiner) merely reinforce such an interpretation. Specifically, the users must use instruments 20 and 24 to forward account numbers (which can only exist if a user is already subscribed) and PIN numbers to a network. Further, data sent to a decoder from a network may include an ID code number hat enables only a designated decoder to decode encoded data in a signal. Such a teaching clearly illustrates that Nel's user is already subscribed and the receiver is not being initially activated as claimed with an initial television subscription service. Instead, Nel merely confirms that unauthorized users (e.g., that may not have subscribed) do not receive unauthorized data.

C. Dependent Claims 3, 18, and 33

These dependent claims provide that the purchase information comprises a type of credit card, a credit card number, and an expiration date. Applicants further note that the independent claims provide that such purchase information must be received into a purchase screen (from a user) that is displayed on a display device. Accordingly, these claims provide that a user must enter a type of credit card, a credit card number, and an expiration date into a purchase screen as part of the initial activation of the receiver and subscription service.

The above limitations provide the unique ability to order goods/services through a purchase screen displayed on a television screen. The user merely enters the credit card information in the purchase screen and the good/service may be ordered. Further, the use of the credit card information provides substantial flexibility since most users have credit cards. Additionally, the user of a television subscription service (e.g., satellite television broadcasting service) may perform the initial activation of a service without communicating directly with the pay-TV service provider. Thus, the pay-TV personnel required to conduct such processing are not needed. Further, the pay-TV service provider does not need to "float" the money until the customer pays or cover expenses for non-payment of services by the customer.

In rejecting these claims, the Office Action merely relies on the use of a smart card and provides that a smart card provides the functionality and characteristics of a credit card and additionally other desirable characteristics/capabilities (while citing col. 4, lines 59-col. 5, line 43). The Office Action continues and provides that the such smart card use "encompasses purchase

information comprising a type of credit card with a credit card number and an expiration data issued to a user by a financial institution for use by the user to make purchases or pay debts".

Firstly, a smart card may provide functionality that is similar to a credit card. However, the mere ability to perform similar functionality is not the appropriate standard. For example, both a car and a motorcycle may be used to transport a rider from one destination to another. However, a motorcycle does not even remotely render obvious an automobile with four wheels and an enclosed seating area (amongst other clear differences). A smart card cannot be compared to a credit card. Nel specifically provides that to use the smart card, a smart card reader would be required (see col. 5, lines 19-25).

The dictionary defines a credit card as:

> **credit card**
> n : a card (usually plastic) that assures a seller that the person using it has a satisfactory credit rating and that the issuer will see to it that the seller receives payment for the merchandise delivered [syn: charge card, charge plate, bank card]
> Source: *WordNet ® 1.6, © 1997 Princeton University*

Thus, a credit card utilizes a credit rating of a user and is issued by a bank. A smart card may be loaded with funds, does not relate to credit whatsoever, and may not be issued by a bank. In addition, the claims specifically provide for a "type of credit card", a "credit card number", and an "expiration date". Such specific language is not even remotely suggested, alluded to, or contemplated by a smart card whatsoever. In addition, Nel fails to describe such aspects of a credit card, implicitly or explicitly.

The Office Action attempts to assert that a smart card is a type of credit card. However, Applicants respectfully traverse such an assertion. A smart card is not a type of credit card.

Further, it is well known that if someone asks for a type of credit card, the credit card owner replies with MasterCard, Visa, American Express, Discover, etc. and not "Smart Card". Accordingly, it is completely without merit to attempt to assert that a smart card is a type of credit card as claimed.

In view of the above, Applicants submit that a smart card cannot be compared to the credit card and the specific features of the credit card that are set forth in the claims.

D. Dependent Claims 12, 27, and 42

These dependent claims provide for storing the confirmation number into a purchase history screen in the receiver that allows a customer to view the purchase information. The Office Action admits that Nel fails to disclose such a purchase history screen. Instead, the rejection relies upon confirmation of a selected instruction and the ability to display data requested and account balances in real time. However, Applicants note that the ability to display data requested and account balances is not similar to, nor does it suggest, the storage of a confirmation number into a purchase history screen that a user may view to examine prior purchases. The purchase history screen is a useful option that provides flexibility and auditing capability to the user. The user may view all purchases made through the receiver. Further, the confirmation number and purchase info is stored on the receiver – something not even remotely suggested by Nel.

The rejections of these claims 11, 26, and 41 merely provide that Nel's teaching encompasses the use of a confirmation number to identify a selected instruction, data requested and account balance. However, there is no such "encompassing" in Nel. Applicants further submit that there is no legal basis for arguing a reference encompasses the claims.

As stated in the prior Office Action response, the mere ability to view data immediately requested (and account balances) in real time (as provided in Nel) does not even remotely suggest the ability to view a purchase history screen that utilizes a confirmation number to view purchase information. A purchase history is not merely the immediate real time request that is made. Instead, the purchase history screen allows the user to view multiple purchases. Such information is clearly lacking from Nel.

The Office Action further asserts:

> ...the confirmation requires access to a database in order to visually display, e.g., account balances. This confirmation must access history information, i.e., data stored in a database, which encompasses applicants' claimed aspect.

Applicants respectfully disagree. The display of a confirmation of selected instructions and data requested and account balances in real time does not have to access history information. Nor does such information have to be stored in a database. Instead, such information may merely be transmitted back from the server to the receiver for display. The claims specifically provide that the purchase history screen is in the receiver. No such receiver side database or screen is even contemplated in Nel. Instead, Applicants submit that it is more likely that since it is displayed in real

time and only reflects a confirmation of the latest request from the user, the confirmation, data requested, and account balances are likely merely received in RAM, displayed in real time to the user, and then removed/lost afterwards. Nel does not describe or suggest that the receiver stores the information so that a user can view multiple prior purchases.

E. Dependent Claims 46-48

These dependent claims provide that the initial activation of the receiver with the initial television subscription package is automated without interacting with personnel from the vendor.

In rejecting these claims, the Office Action relies on Metz. However, Metz fails to teach such an initial activation of a receiver without interaction with vendor personnel. Similar to Nel, Metz also fails to describe the process for the initial activation of a receiver. Instead, Metz and Nel both rely on the prior activation of a receiver and then provide for subsequent services. The claims are clearly distinguishable from such a teaching. Further, there are significant advantages to such initial activation without personnel interaction (as stated above). In fact, such non-personnel based initial activation is not even contemplated or recognized in either Nel or Metz.

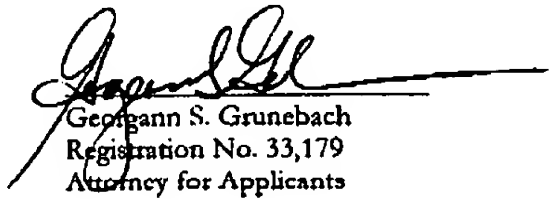
IV. CONCLUSION

In view of the above, Applicants submit that the various elements of Applicants' claimed invention together provide operational advantages over the systems disclosed in Nel, Metz, and Koreeda. In addition, Applicants' invention solves problems not recognized by Nel, Metz, and Koreeda.

Thus, Applicants submit that independent claims 1, 16, 31, and 49 are allowable over Nel, Metz, and Koreeda. Further, dependent claims 2-5, 8-15, 17-20, 23-30, 32-35, 38-48, and 50-52 are submitted to be allowable over Nel, Metz, and Koreeda in the same manner, because they are dependent on independent claims 1, 16, 31, and 49, respectively, and because they contain all the limitations of the independent claims. In addition, dependent claims 2-5, 8-15, 17-20, 23-30, 32-35, 38-48, and 50-52 recite additional novel elements not shown by Nel, Metz, and Koreeda.

It is therefore submitted that this application is now in good order for allowance and such allowance is respectfully solicited. Should the Examiner believe minor matters still remain that can be resolved in a telephone interview, the Examiner is urged to call Applicants' undersigned attorney.

Respectfully submitted,



Georgann S. Grunebach
Registration No. 33,179
Attorney for Applicants

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The DIRECTV Group, Inc.
RE / R11 / A109
P.O. Box 956
2250 E. Imperial Highway
El Segundo, CA 90245-0956

(310) 964-4615